

## Wind farms get a boost from BPA

**PORTLAND, Ore.** - The Bonneville Power Administration announced it plans to adopt a rate proposal designed to encourage development and operation of wind turbines by freeing wind generators from a penalty when they fail to deliver power as scheduled.

The announcement was made today during the inaugural meeting of the Oregon Wind Working Group. The OWWG and its activities are funded by the U.S. Department of Energy as part of its Wind Powering America program. The goal of the group is to produce a strategic plan that identifies barriers to wind energy development in the state and ways to overcome them.

Energy Secretary Spencer Abraham commended BPA on its initiative. "The president, in the National Energy Policy Report, encouraged the use of renewable energy in our country. This effort by BPA will help ensure the continuous development of wind resources in the Pacific Northwest. I am pleased that BPA continues to show real national leadership and support for wind power," Secretary Abraham said.

BPA imposes a penalty -- \$100 per megawatt hour -- on generators that schedule energy over the transmission grid, and then fail to deliver the same at the designated hour. The penalty is needed because when scheduled energy is not delivered to the grid, the power system gets out of balance, transmission system reliability can be threatened, and BPA must provide power to bring the system into balance.

"The penalty in question is designed to encourage power plant operators to accurately schedule the output of their generators," said Steve Wright, BPA administrator. "But wind generators cannot consistently predict, with accuracy, their output, so such a penalty would only discourage the development of wind projects."

"Without this decision, wind development in BPA's service territory would have ground to a halt," said Jim Caldwell, policy director for the American Wind Energy Association. "This timely decision will remove a significant impediment to the development of viable wind projects."

"We applaud BPA Administrator Wright for supporting this critical and positive decision for wind power in the Northwest. It is an important first step in integrating clean power into our electricity system," added Rachel Shimshak, Renewable Northwest Project executive director.

Ralph Cavanagh of the Natural Resources Defense Council stated: "A whole continent's transmission operators are watching this precedent closely, and we look forward to an epidemic of sincere imitation."

Although the penalty charge will be eliminated for wind resources, their operators will still be required to pay the cost of the power provided by BPA to make up the difference between the schedule and the actual

generation. BPA will ask the Federal Energy Regulatory Commission for approval of the rate revision effective Oct 1, 2002 through Sept. 30, 2003.

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